

# LGA Corporate Peer Challenge – Progress Review

South Holland District Council

5 and 6 September 2024

Feedback



**Corporate Peer Challenge**



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# 1. Introduction

The council, which is part of the South and East Lincolnshire Councils Partnership (S&ELCP), undertook an LGA Corporate Peer Challenge (CPC) focusing solely on South Holland District Council (SHDC) from 18 – 20 July 2023. The authority promptly published the [full report with an action plan](#).

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peer's reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs.
- Discuss any early impact or learning from the progress made to date.

The LGA would like to thank SHDC for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

# 2. Summary of the approach

The Progress Review at SHDC took place onsite on 5 – 6 September 2024. The Progress Review focussed on each of the recommendations from the Corporate Peer Challenge, under the following theme headings:

- Theme 1: Governance
- Theme 2: Finance
- Theme 3: Transformation and service delivery
- Theme 4: Place

For this Progress Review, the following members of the original CPC team were involved:

- Claire Hamilton, Chief Executive, Dacorum Borough Council
- Cllr Spencer Flower, Leader of the Council, Dorset Council, Conservative
- Cllr Jim McKenna, Cornwall Council Member, Independent
- Richard Block, Chief Operating Officer, Colchester City Council
- Charlotte Maguire, Senior Policy Adviser, District Councils Network
- Frances Marshall, Senior Regional Adviser, Local Government Association

### 3. Progress Review - Feedback

#### Overview

A significant amount of work has been undertaken by South Holland District Council (SHDC) in response to the Corporate Peer Challenge (CPC) which it can be proud of. The council's RAG rated Action Plan responding to the CPC report's nine recommendations shows that 100 per cent of actions have been complete or are being progressed. This equates to thirteen actions being fully 'complete', five 'on target', and one action 'off target' with mitigation in place to address this. This activity has been undertaken in conjunction with its fellow South and East Lincolnshire Councils Partnership (S&ELCP) authorities where recommendations have a bearing on all three councils.

It is commendable how SHDC has embraced and turned into tangible actions much of the CPC's feedback in the spirit of openness and improvement. This is evident with the Action Plan being regularly monitored by Cabinet and Performance Monitoring Panel, and it came across strongly in the Peer Team's conversations with both councillors and officers.

The Peer Team was impressed by SHDC's success over the past 12 months in:

- Continuing to foster a positive organisational culture and openness.
- Driving forward the recommendations around its: housing service, improvements to financial reporting, more focused place approach, and strengthening of resident

and voluntary and community sector (VCS) voice.

- Successfully lobbying and securing additional funding for councils with Internal Drainage Boards (IDBs).

The same pace of progress has not, however, been achieved across all areas. For example, the pace of the Service Review Programme, developing a multi-year savings plan linked to the Medium-Term Financial Strategy (MTFS), and future Waste Strategy approach have not developed as fully. Crucially, with a requirement for efficiency savings of £3.5 million over the next 3 years, SHDC's financial sustainability will be contingent upon successfully progressing these interdependent priorities. It is therefore imperative further steps be taken and the Peer Team would encourage further focus on:

- Urgently developing fully costed options for the Waste Service transformation options and considering all implications to enable an informed decision to be made.
- Establishing a more detailed three-year savings and Transformation Programme linked to the MTFS, with corporate ownership and accountability and agreed timescales for delivery, which is monitored through a robust framework.

## Theme 1: Governance

### Recommendations

- Develop a standalone action plan to address the recommendations of SHDC's 2022 Social Housing Management Peer Challenge, including urgently addressing SHDC's social landlord housing compliance data and assurance approach, and reporting arrangements.
- Review South Holland District Council's constitution to consider greater delegations, and where appropriate, consistency and alignment with other S&ELCP authorities.

**Constitution:** The Peer Team heard how S&ELCP authorities are working together to achieve a single constitutional framework, with provision for local variation. The next phase of the constitutional review is expected to complete by March 2025, with early alignment already achieved around financial limits. The Peer Team commended the S&ELCP's commitment to alignment. They encouraged SHDC to have a strong focus on constitutional changes that will drive efficiency through the Partnership to best deliver SHDC's and the S&ELCP's ambitions.

**Corporate Governance:** The role of the Leader and Administration in ongoing organisational and cultural changes has been integral to the progress which has been made. This is complemented by a constructive approach by the opposition to scrutiny and challenge. SHDC recruiting two lay members with professional expertise to the Audit Committee is an example of this openness and in line with sector best practice. The Senior Leadership Team (SLT) takes an active role in oversight of governance, for example with regular Housing Revenue Account (HRA) updates to its governance meetings. The Peer Team would encourage strengthening SLT corporate ownership and accountability across key corporate priorities – such as housing, finance and transformation – to strengthen SHDC's organisational grip on these.

**Housing:** The Peer Team was impressed by the significant progress made around social housing management, with clear governance and councillor oversight arrangements now in place. Steps taken have included introduction of an action tracker for Social Housing Peer Review recommendations, Housing Governance Clinics, Housing Transformation and Landlord Boards, a Housing Strategy, reports to the Performance Monitoring Panel on landlord performance, data assurance activity, and the appointment of a Statutory Compliance Coordinator. In driving forward this activity, learning from the sector and external support has been sought to ensure a robust approach to compliance, stock data, and asset management. It is positive that the housing transformation function is being further developed to focus on repairs, investment decisions, and contract management. The Peer Team emphasised the importance of shifting the balance to planned maintenance rather than reactive to drive efficiency and savings as part of this work. There will also need to be a focus on the new Consumer Standards in readiness for a RSH Inspection.

## Theme 2: Finance

### Recommendations

- Develop a robust plan for delivering the savings within the Medium-Term Financial Strategy, which is supported by a Savings Tracker with regular Senior Leadership Team and Cabinet oversight.
- Urgently address the financial planning and management performance of financial service arrangements and ensure Public Sector Partnership Services Ltd (PSPS) acts as an enabler of wider transformation for SHDC and the S&ELCP.

Medium-Term Financial Strategy and Savings: SHDC has been successful in recent months in partially alleviating a key financial risk by securing an additional £335,000 for 2024/25 to offset financial pressures from Internal Drainage Boards. The Peer Team commended SHDC for its leading role – alongside S&ELCP partners - in lobbying nationally to achieve this. The Peer Team was also encouraged to hear examples of property projects that will deliver revenue savings or capital income, together with benefits for the local community, such as the Spalding Town Football Club project.

Oversight of SHDC's financial position by Cabinet and SLT has been strengthened with the introduction of Portfolio Briefings and standing items to Informal Cabinet meetings. This clear political engagement in SHDC's financial position was evident to the Peer Team.

There remains, however, a focus on an annual savings plan approach with limited detail on how future years' budget gaps will be managed. Further work is required to establish a multi-year savings plan with targets and clear accountability for delivery. The Peer Team urge SHDC to progress this - along with a stronger link between the Transformation Programme and the MTFs savings gap. This will significantly strengthen SHDC's ability to manage financial risk. To help achieve this, SHDC should consider a programme management office (PMO) approach to projects with

large savings targets and full corporate oversight and ownership.

Financial planning and management performance: Significant efforts have been made by SHDC and PSPS to address financial planning and management performance over the past 12 months. This has included: recruitment of local government financial expertise into key PSPS roles, the introduction of a Finance Service Level Agreement and regular monitoring meetings. The positive impact of these changes can be seen in the marked improvement in the standard of financial information, a return to quarterly financial reporting and the timely production of the 2023/24 Financial Outturn Report. The Peer Team heard that whilst there is still more to do, the progress to-date and shared commitment from PSPS and the S&ELCP provides a solid base to build on.

Recruitment and Retention: Improvements to financial planning and management performance have been predicated on PSPS's recruitment and retention of local government finance skills and expertise. Within the current job market, retaining this expertise - and the vital stability this brings - is a significant risk which PSPS and SHDC are alive to. The Peer Team encourage SHDC and PSPS to work collaboratively to jointly shape innovative solutions to address this challenge.



### Theme 3: Transformation and Service Delivery

#### Recommendations

- Working with fellow S&ELCP authorities, develop and clearly communicate a service-wide Target Operating Model.
- Develop a Transformation Strategy and Programme - which is clearly communicated and understood throughout the organisation - and align adequate strategic and operational resources to support.
- Undertake a review of SHDC's Waste Strategy.
- Strengthen how the voice of residents and communities systematically inform future service delivery and unlock the potential of the voluntary community sector.

Target Operation Model and Service Reviews: SHDC has established five underpinning 'S&ELCP Principles' for Service Reviews, rather than adopt a service-wide Target Operating Model suggested by the Peer Team. The Council believes this approach provides greater choice, flexibility, and options appraisal.

The Service Review Programme has made some progress, with a plan for Regulatory Services recently being agreed. The pace - and transformative scale – of the Service Review Programme has however not progressed at the pace desired, with organisational-wide frustrations about this. Commendable steps have been taken to address challenges inhibiting progress, such as creation of a transformation capacity reserve and planned culture change activity. The Peer Team would nevertheless urge further efforts to remove barriers to progress and establish a stronger link to efficiencies required by the MTFs. Whilst recognising the complexity of bringing together and transforming services from across three councils, delivering on this at pace is imperative to deliver the £3.5m million savings required over the next 3 years of the MTFs.

Transformation Strategy and Programme: There is a clear high-level plan for SHDC's Transformation activity in the S&ELCP's Annual Delivery Plan. The Peer Team's view remains unchanged from 12 months ago that SHDC would benefit from

developing a more detailed Transformation Strategy and Programme. In practice, this would mean translating the transformation activity tracker into a multi-year Transformation Programme, with programme management approach and corporate resource planning and SLT accountability for delivery. Doing so is a financial imperative as it would bring greater rigor to savings delivery and assurance to the deliverability of the MTFS.

Waste Strategy: SHDC has commenced a review of its waste delivery service. The Peer Team recognises the significant strides that have been taken politically to do so. This has included undertaking a public consultation which received a high response rate. The requirements of the 2021 Environment Act - as well as financial and efficiency drivers for SHDC - mean change is a necessity. Further work is needed to develop SHDC's narrative for change, linked to the MTFS position, so there is a clear rationale to support proposals. It is imperative that future options are fully developed and costed, and all implications considered to enable SHDC to take an informed decision. The Peer Team encourage SHDC to learn from councils more advanced on this change journey, to benefit from best practice and access support.

Resident and Community Voice: An impressive range of activity has been undertaken to enhance SHDC's approach to resident and voluntary and community sector (VCS) engagement and consultation. This has included establishing: a Public Engagement Charter, Volunteer Charter, VCS coordinator post, Voluntary and Community Strategy, data Intelligence Hub to shape policy, and increased use of consultation. The Peer Team heard that engagement is already making a difference, with a notable example being tenant and customer focus groups reshaping the sheltered housing service. The Peer Team commended the work to-date and encouraged SHDC to continue to build on these positive foundations which are a long-term investment.

Equality, Diversity, and Inclusion (EDI): Concerted efforts have been made to embed an awareness of, and responsibility for, EDI across SHDC. This has included updating and promoting the Equalities, Diversity and Inclusion Policy, and delivery of an officer training package. The Peer Team heard that feedback from the training has been positive and there is a greater awareness of EDI and every service's responsibility around it. The Peer Team was impressed at the training being tailored

for certain services. Peers would encourage SHDC to consider applying this good practice to other areas and making the training available to all staff.

#### Theme 4: Place narrative

##### Recommendation

- Develop and communicate a clear place narrative and Vision for South Holland, aligned to an Economic Strategy and Inward Investment Plan.

Place shaping: An impressive range of activity has been undertaken to support a clearly SHDC focused place making agenda. This has included: agreement of a Growth and Prosperity Plan with clear place narrative, more focused place approach via the emerging Destination Management Plan and Cultural Strategy, establishment of Spalding Business Improvement District (BID), Spalding Towns Board, and development of a diverse range of project and events.

The Peer Team reflected that this provides a strong base for the recently appointed Director of Economic Development to develop SHDC's ambitions and a more outward-facing partnership approach. With the Growth and Prosperity Plan now in place, Peers emphasised that a strong focus on delivery – with alignment of capacity, coordination, and communications - will be important to deliver on the Plan's ambitions.

The Leader has been central to championing a stronger focus on the culture, heritage, and visitor economy within SHDC's refreshed place narrative. Now may be an opportune time to review the Cabinet Portfolio responsibilities to ensure Portfolio structures support effective championing of this agenda.

## 4. Final thoughts and next steps

The LGA would like to thank SHDC for undertaking an LGA CPC Progress Review.

We appreciate that the senior officer and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

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